APPENDIX B COST DEFINITIONS

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Figures B-1 and B-2 display the cost element, appropriation, and MIL-STD 881(A) (reference (e)) Work Breakdown Structure Components of all cost definitions required for SAR preparation. The figures have been adapted from and are consistent with the detailed definitions contained in DoD Instruction 5000.33 (reference (c)).



FIGURE B-1

DISCRETE COST DEFINITIONS *

(Shaded areas are excluded from definitions)

	COST CATEGORIES					APPROPRIATIONS					WORK Breakdown structure			
TERM	RESEARCH &DEVELOPMENT		PRODUCTION		OPERATING b	ROTEE	3/	MILCON	<u>4/</u> 06M	4/ OTHER	MAJOH SYSTEM EQUIPMENT SYSTEM/PROJEC	TRAINING ECULIAR SUPPORT EQUIPMENT	INITIAL SPARES b initial repair	INDUSTRIAL Facilities (PBS)
	NON- Recurring	RECURRING	NON- Recurring	RECURRING	SUPPORT	MUIDE	71106.	MILOUR	Vem	ULTEN	MANAGEMENT SYSTEM TEST AND EVALUATION	OATA OPER./SITE ACTIVATION	PARTS	No. 1 and April 10 and
EVELOPMENT COST	\$	\$				\$					\$	\$		1 <u>1</u> <u>1</u>
1/ FLYAWAY COST			\$	\$			\$			a Shakeya a	\$			
WEAPON SYSTEM COST			\$	\$			\$				\$	\$		Ŋ
ROCUREMENT COST			\$	\$			\$				\$	\$	\$	7
PROGRAM ACQUISITION COST	\$	\$	\$	\$		\$	\$	\$			\$	\$	\$	Table 1

NOTES

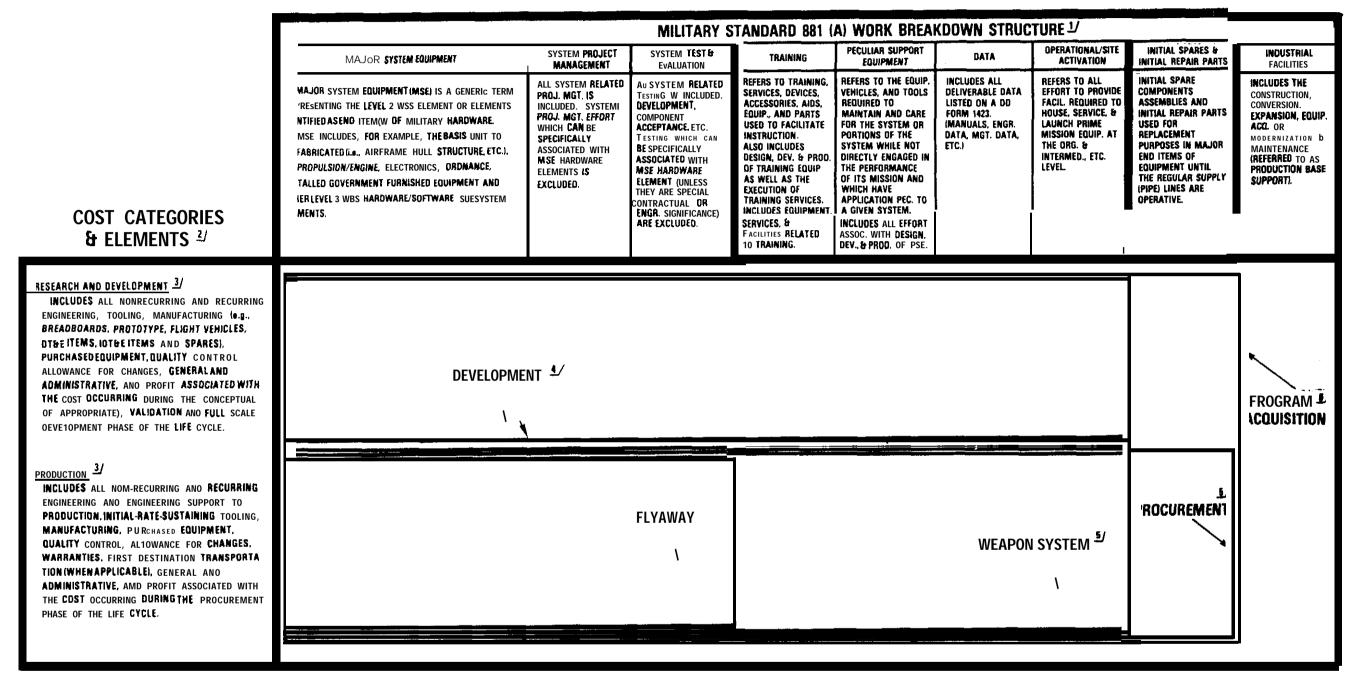
- 1/ GEMERIC TERM DEPENDING UPON COMMODITY, CAN ALSO GE CALLED "ROLLAWAY" OR "SAILAWAY"
- 2/ ALSO KNOWN AS "ACQUISITION COST" OR "PROGRAM COST"
- 3/INCLUDES SHIPBUILDING AND CONVERSION, NAVY APPROPRIATION
- 4/ DEM AND OTHER APPROPRIATIONS AND FUNOS ARE INCLUDED AS APPROPRIATE
- 5/ WHEN INDUSTRIAL FACILITIES ARE FUNDED BY ADT& EIT WILL BE INCLUDED AS APPROPRIATE

 6/ GENERALLY, OTHER PROGRAM PECULIAR WBSELEMENTS (I.E. FLIGHT SUPPORT OPERATIONS AND SERVICES FOR SPACECRAFTI APPLY WHEN PROCUREMENT SUPPORTED
- ${\cal D}$ excludes industrial facilities when funded as a separate budget line item

- ADAPTED FROM DOD INSTRUCTION 5000. 3 3
- "UN1 FORM BUDGET/COST TERMS AND DEFINITIONS" ',

FIGURE B-2

COST DEFINITION DISPLAY *



NOTES: 1 / REFERENCE MILITARY STANDARD ASIA, "WORKBREAKDOWN STRUCTURE FOR DEFENSE MATERIEL ITEMS"

- 2/ FUNCTIONAL COST AS USEDIN CONTRACTOR COST DATA REPORTING AND COST INFORMATION REPORTS.
- 3/INCLUDES SOTH CONTRACT AND IN-HOUSE COST ELEMENTS; APPROPRIATE COST ELEMENTS INCLUDE COST BY:

 LABOR. MATERIAL, OVERHEAD AND OTHER DIRECT CHARGES,
- 4/ WHEN INDUSTRIAL FACILITIES ARE FUNDED BY ROTSE IT WILL BEINGLUDED AS APPROPRIATE.
- 1 INCLUDES INDUSTRIAL FACILITIES UNLESSFUNDED AS A SEPARATE BUDGET LINE ITEM
- 5/MILITARY CONSTRUCTION IS ALSO INCLUDED WHEN WEAPON SYSTEM RELATED.

* ADAPTED FROH DOD 1NSTRUCTION 5000.33

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